

**DIRECT TESTIMONY OF  
ROSE M. JACKSON  
ON BEHALF OF  
DOMINION ENERGY SOUTH CAROLINA, INC.  
DOCKET NO. 2019-5-G**

1   **Q.   PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND POSITION.**

2   A.           My name is Rose M. Jackson, and my business address is 1300 12th Street,  
3           Suite F, Cayce, South Carolina. I am employed by Dominion Energy Southeast  
4           Services, Inc. (“DES Services”) as General Manager – Supply & Asset  
5           Management.

6  
7   **Q.   PLEASE DESCRIBE YOUR EDUCATIONAL AND BUSINESS**  
8   **BACKGROUND.**

9   A.           I graduated from the University of South Carolina in 1988 with a Bachelor  
10          of Science degree in Accounting. Following graduation, I worked for approximately  
11          three (3) years as an accountant for a national security services firm. In 1992, I  
12          began my employment with SCANA Corporation (“SCANA”) as an accountant  
13          working directly for SCANA Energy Marketing, Inc. Over the years, I have held  
14          varying positions of increasing responsibility including Energy Services  
15          Coordinator, where I was responsible for scheduling gas for the Atlanta Gas Light  
16          System; project manager for the implementation of an automated gas management  
17          system; and Manager of Operations. In 1998, I became responsible for gas  
18          procurement, interstate pipeline and local distribution company scheduling and

1 preparation of gas accounting information. In May 2002, I became Manager of  
2 Operations and Gas Accounting with SCANA Services, now DES Services, where  
3 I was responsible for gas scheduling on interstate pipelines and gas accounting for  
4 all SCANA subsidiaries. In November 2003, I became Fuels Planning Manager  
5 where I assisted all SCANA subsidiaries with strategic planning and special projects  
6 associated with natural gas. I held this position until promoted to my current  
7 position in December 2005.

8  
9 **Q. WHAT ARE YOUR DUTIES AS GENERAL MANAGER – SUPPLY & ASSET**  
10 **MANAGEMENT?**

11 A. In regard to Dominion Energy South Carolina, Inc. (“DESC” or the  
12 “Company”) concerning this proceeding, I am responsible for gas supply and asset  
13 management functions. Specifically, my responsibilities include the oversight of  
14 planning, procurement of supply and capacity, nominations and scheduling, gas cost  
15 accounting, state and federal regulatory issues concerning supply and capacity, and  
16 asset and risk management.

17  
18 **Q. PLEASE DESCRIBE THE PURPOSE OF YOUR TESTIMONY.**

19 A. The purpose of my testimony in this docket is two-fold. First, I discuss  
20 DESC’s portfolio of gas supply, addressing the various gas supply and  
21 transportation options available to the Company. Second, I discuss the state of the  
22 natural gas market during the period of August 1, 2018, to July 31, 2019 (“Review

1 Period"). Third, I explain proposed revisions to DESC's General Terms and  
2 Conditions for natural gas service.

3  
4 **I. GAS SUPPLY**

5 **Q. PLEASE EXPLAIN THE GAS SUPPLY OPTIONS CURRENTLY**  
6 **AVAILABLE TO DESC.**

7 A. There are three gas supply options that are available to DESC: (1) wellhead gas  
8 supply, (2) underground storage, and (3) liquefied natural gas ("LNG"). DESC's gas  
9 asset portfolio includes each of these supply options, and the Company has combined  
10 these supply options with interstate transportation to meet its firm demand under  
11 varying weather conditions at reasonable cost.

12  
13 **Q. PLEASE DESCRIBE THE AVAILABLE INTERSTATE PIPELINE**  
14 **TRANSPORTATION OPTIONS.**

15 A. DESC purchases interstate pipeline transportation capacity on both a firm  
16 and interruptible basis from the three (3) interstate pipelines that provide service to  
17 DESC: Southern Natural Gas Company ("Southern"), Transcontinental Gas Pipe  
18 Line Corporation ("Transco"), and Dominion Energy Carolina Gas Transmission,  
19 LLC ("DECGT").

20 Interstate Firm Transportation ("FT") service permits DESC access to  
21 interstate pipeline transportation capacity on a priority basis. Interruptible  
22 Transportation ("IT") service is only available when FT customers, such as DESC,

1 are not using their FT capacity. IT service is curtailed when FT customers use their  
2 capacity. In sum, FT and IT services use the same physical pipeline capacity, with  
3 FT service having priority. DESC contracts for FT service from the three interstate  
4 pipelines serving South Carolina to ensure delivery of natural gas during colder  
5 periods when the full transportation capacity of these pipelines is used and when the  
6 demand for natural gas service is typically greatest. DESC currently holds 161,144  
7 dekatherms (“Dt”) of firm capacity on Southern and 70,458 Dt of firm capacity on  
8 Transco. During the Review Period, DESC held 372,929 Dt of firm capacity with  
9 DECGT and will hold an additional 5,600 Dt of firm capacity with DECGT, for the  
10 upcoming winter season, in order to deliver gas from Transco and Southern and  
11 from DESC’s in-state LNG facilities to DESC’s system. Exhibit No. \_\_ (RMJ-1)  
12 provides a summary of the firm transportation contracts by pipeline supplier.  
13

14 **Q. HOW DOES DESC OPTIMIZE ITS FIRM TRANSPORTATION**  
15 **CAPACITY?**

16 A. DESC optimizes its firm transportation capacity through “segmentation” which  
17 allows DESC to deliver up to twice as much supply on a portion of its firm capacity  
18 while paying only one demand charge. Interstate pipelines allow segmentation as long  
19 as the delivery point meter has sufficient capacity and gas supply does not cross the  
20 same delivery point.  
21  
22

1 **Q. HAVE THERE BEEN ANY CHANGES AS TO HOW DESC OPTIMIZES**  
2 **ITS FIRM TRANSPORTATION CAPACITY?**

3 A. No. As a result of the DESC Electric Department's increased need for gas  
4 capacity, the 2015 Memorandum of Understanding ("MOU") approved by the  
5 Public Service Commission of South Carolina ("Commission") in Docket No. 2015-  
6 5-G eliminated sharing of 27,000 Dt per day of interstate transportation base  
7 capacity between DESC's Electric and Gas Departments on October 31, 2016.  
8 However, the 2015 MOU maintains the ability of the departments to share gas  
9 transportation capacity on an interruptible basis as conditions warrant. The MOU  
10 also allows the departments to allocate transportation capacity; therefore, the Gas  
11 Department continues to have access to 27,000 Dt in Zone 1 of the DECGT system.

12  
13 **Q. WHAT INTERSTATE STORAGE ASSETS ARE AVAILABLE TO THE**  
14 **COMPANY TO AID IN DELIVERING RELIABLE AND SECURE GAS**  
15 **SERVICE TO DESC CUSTOMERS?**

16 A. The Company currently has 4,908,848 Dt of storage capacity on Southern's  
17 system, with maximum daily withdrawal capability from this storage equaling  
18 99,121 Dt per day at peak storage inventory. On Transco, DESC subscribes to  
19 593,735 Dt of storage capacity, with a maximum withdrawal quantity of 19,789 Dt  
20 per day at peak storage inventory. Exhibit No. \_\_\_\_ (RMJ-1) reflects total storage  
21 and withdrawal capacity by pipeline supplier in a table format.

1 **Q. PLEASE DESCRIBE THE LNG FACILITIES AND THEIR CAPACITIES.**

2 A. DESC owns and operates two LNG facilities: one at Bushy Park near  
3 Charleston which can liquefy and store up to 980 million cubic feet (“Mmcf”) of  
4 LNG, and the other at Salley in Orangeburg County, which can store up to 900  
5 Mmcf of trucked-in LNG. LNG must be transported to Salley via truck because  
6 Salley has no liquefaction facilities.

7  
8 **Q. AT WHAT VAPORIZATION RATE CAN DESC USE THESE FACILITIES?**

9 A. The combined storage capability of these facilities allows our system  
10 throughput planning to assume a maximum daily withdrawal quantity of 105  
11 Mmcf/day. For example, assuming that storage volumes are at maximum capacity,  
12 Bushy Park’s inventory would be exhausted in approximately 16 days if operated at a  
13 withdrawal rate of 60 Mmcf/day, and Salley’s inventory would be exhausted in  
14 approximately 20 days if operated at a withdrawal rate of 45 Mmcf/day.

15  
16 **Q. WHAT BENEFIT DO THESE LNG ASSETS PROVIDE THE COMPANY?**

17 A. DESC relies primarily upon its LNG assets to fulfill the peaking needs of its  
18 system and customers. Additionally, the on-system LNG service significantly adds  
19 to the reliability and security of gas supply during unfavorable operating conditions  
20 that may occur from time to time. For example, DESC’s supply of gas could be  
21 unexpectedly interrupted because abnormally cold weather creates a spike in  
22 demand which in turn causes equipment malfunctions, well freeze-ups, and other

1 operational anomalies thereby limiting the supply of gas into South Carolina. In  
2 these instances, DESC could employ the use of its on-system LNG facilities for a  
3 limited time to offset or reduce any adverse effects caused by an upstream  
4 interruption.

5 Attached hereto as Exhibit No. \_\_\_\_ (RMJ-2) is a comparison of DESC's firm  
6 sales service to its capacity to deliver gas to serve firm demand. This exhibit  
7 indicates that the Company will have firm assets sufficient to provide a 3.71%  
8 system-wide operating reserve (excluding segmentation) during the upcoming  
9 winter heating season. This operating reserve is conditioned on the availability of  
10 the LNG facilities.

11  
12 **Q. DO YOU ANTICIPATE ADDITIONAL INTERSTATE CAPACITY NEEDS**  
13 **IN THE NEAR FUTURE?**

14 A. Yes. DESC will require additional interstate pipeline capacity in order to  
15 meet future design day forecasts as a result of (1) demand growth on its system for  
16 natural gas and (2) the inability to rely on segmentation between certain  
17 geographical regions, or area points, to the degree it has in the past.

18 The three interstate natural gas pipelines that serve DESC have indicated  
19 that, based on current contracts, they are fully subscribed. Typically, interstate  
20 pipelines are designed with little to no unsubscribed capacity therefore requiring  
21 advance notice to build facilities for additional natural gas throughput. As such,  
22 DESC continues to evaluate new interstate projects available in the marketplace and

1 to seek opportunities to participate in larger interstate pipeline projects which may  
2 provide a benefit due to the economies of scale associated with such future projects.  
3

4 **Q. HAVE THE COSTS ASSOCIATED WITH INTERSTATE PIPELINE**  
5 **ASSETS CHANGED?**

6 A. Yes. Before Southern filed its pipeline rate case at the Federal Energy  
7 Regulatory Commission (“FERC”), DESC and the other parties reached a pre-filed  
8 rate case settlement with Southern which, among other things, included a decrease  
9 associated with the Federal Tax Cuts & Jobs Act which provided for a decrease in  
10 rates in two phases. The first phase, which became effective September 1, 2018,  
11 resulted in a 1% reduction in tariff rates, or a decrease of \$0.00094 per therm for  
12 DESC’s firm customers. The second phase, which became effective September 1,  
13 2019, resulted in an additional 7% reduction in tariff rates, or an estimated decrease  
14 of \$0.00651 per therm for DESC’s firm customers. The cumulative estimated  
15 impact to DESC’s firm customers is an estimated decrease of \$0.00745 per therm.  
16 FERC approved the settlement in May 2018.

17 Transco filed a Section 4 general rate increase at FERC on August 31, 2018.  
18 The filed rates were effective March 1, 2019, subject to refund pending a settlement  
19 or hearing of the case. DESC continues to be actively involved in settlement  
20 discussions with Transco and the other intervenors in the rate case. The filed rate  
21 increases resulted in a 28% increase in tariff rates, or an increase of \$0.00898 per  
22 therm for DESC’s firm customers.



1 **Q. WHY IS DESC UNABLE TO RELY ON SEGMENTATION TO THE**  
2 **DEGREE IT HAS IN THE PAST?**

3 A. DESC may no longer have the flexibility to rely on segmentation to meet  
4 design day needs between area points to the degree it has in the past due to more  
5 businesses subscribing to the DECGT pipeline to serve increased firm demand on  
6 the DECGT system. Historically, DESC has reviewed its firm capacity needs on a  
7 system-wide basis and relied on segmentation to meet design day needs between  
8 area points. However, as its ability to rely on segmentation decreases, DESC will  
9 be required to look at its system growth in more detail by area points rather than on  
10 a system-wide basis in order to determine where new facilities will need to be  
11 constructed and to contract for any necessary additional firm transportation by area  
12 points.

13  
14 **Q. HOW DOES DESC UTILIZE ITS COMBINED INTERSTATE STORAGE**  
15 **AND ON-SYSTEM LNG TO ENSURE RELIABLE GAS SERVICE?**

16 A. There are two dimensions to storage services: peak capability and duration.  
17 DESC uses its storage to address both of these dimensions. Certain storage services  
18 are designed to meet spikes in demand on very cold days but only for a short period  
19 of time. The storage services in DESC's portfolio of this type include Transco LNG  
20 Storage Service and both the Bushy Park and Salley LNG facilities located on  
21 DESC's system. Accordingly, these storage services provide DESC with system  
22 reliability and peaking capability.

1           Other storage services are geared toward meeting demand over more of the  
2           winter period and not only on the coldest days. As set forth in Exhibit No. \_\_\_\_  
3           (RMJ-1), the storage services in DESC's portfolio of this type include Transco  
4           Washington Storage Service ("WSS"), Transco Eminence Storage Service ("ESS"),  
5           Transco General Storage Service ("GSS") and Southern's Contract Storage Service  
6           ("CSS"). Therefore, these storage services provide DESC with duration capability.  
7           Through the active management of these assets, DESC is able to meet the needs of  
8           its firm customers on the coldest days of the winter and over the entire winter.

9  
10   **Q.   PLEASE DESCRIBE THE CONSIDERATIONS EVALUATED BY DESC IN**  
11   **ASSEMBLING ITS GAS SUPPLY PORTFOLIO.**

12   A.           The Company's evaluations for assembling its gas supply portfolio include  
13           reviewing the gas supply, storage, transportation, and other assets already under  
14           contract. Other considerations include such things as geographical delivery  
15           limitations, maximum volumes, storage ratchets, and the cost of the various  
16           services. DESC then compares the resources against the firm demand under varying  
17           weather conditions. Finally, the Company determines whether additional resources  
18           are required to serve the firm demand.

1 **Q. PLEASE DESCRIBE THE USE OF EACH OF THESE VARIOUS**  
2 **SERVICES WITHIN THE PORTFOLIO.**

3 A. DESC places different levels of reliance on its various supply sources based  
4 on the time of year in question. Decisions related to the purchase of gas supply are  
5 based upon the best information available to DESC at the time of execution. During  
6 the winter heating season, the Company uses its wellhead gas as its principal supply,  
7 followed by the use of its natural gas supply stored in underground storage facilities.  
8 DESC primarily uses its on-system LNG to meet the last increment of demand on  
9 the coldest days or hours of the year.

10 As the winter progresses, this order of usage may be modified. For example,  
11 if South Carolina experiences mild weather during the early part of the winter and  
12 storage inventories are relatively high, then underground storage and LNG  
13 withdrawals may be used instead of wellhead supply.

14  
15 **II. NATURAL GAS MARKET**

16 **Q. PLEASE DISCUSS THE STATE OF THE NATURAL GAS MARKET**  
17 **DURING THE REVIEW PERIOD.**

18 A. Domestic natural gas supply continues to be the lowest priced and most  
19 abundant supply in the global natural gas market primarily due to domestic shale  
20 production. However, the cost of building new interstate pipeline infrastructure to  
21 move shale production continues to rise due to the amount of greenfield pipeline  
22 required to move supply from areas in the Northeast such as Marcellus and Utica to

1 market. Interstate pipeline flows are also changing direction. Historically, interstate  
2 pipelines have moved gas from the Gulf of Mexico to the Northeast. Developed,  
3 current and proposed pipeline projects are reversing the flow to move gas from  
4 North to South. Further, the construction timeline to build interstate pipeline  
5 capacity is increasing due to more scrutiny from regulators, special interest groups  
6 and the public. New capacity projects are estimated to take four (4) years or more  
7 before they can be placed into service.

8           Regarding natural gas prices, the market began the Review Period in the mid  
9 \$2.70's per Dt and traded between \$2.70 and \$3.00 per Dt until late September.  
10 Buoyed by lower than average national storage levels and the approaching winter,  
11 the market rose above the \$3.00 per Dt mark in late September and moved slowly  
12 higher, pushing to approximately \$3.28 per Dt at the market close on November 2.  
13 Colder than normal temperatures in early November resulted in the market opening  
14 at approximately \$3.47 per Dt on November 5, and quickly surpassing the \$4.00 per  
15 Dt mark on November 13 for the first time since December 2014. A day later, on  
16 November 14, the market peaked for the Review Period at approximately \$4.93 per  
17 Dt. Prices continued to fluctuate between \$4.00 and \$5.00 per Dt until warm  
18 forecasts for the last half of December caused prices to fall back below \$4.00 per  
19 Dt. By the end of December, prices had dropped back below \$3.00 per Dt. Prices  
20 briefly rose back to approximately \$3.72 per Dt in mid-January before falling back  
21 below \$3.00 per Dt by the end of January. Prices continued to decrease with the low

1 for the Review Period coming the day before the close of the Review Period at  
2 approximately \$2.11, a low not seen since spring of 2016.

3  
4 **Q. PLEASE DESCRIBE THE TOOLS THAT THE COMPANY UTILIZES TO**  
5 **MITIGATE PRICE VOLATILITY TO ITS CUSTOMERS.**

6 A. The Company relies on the approved 12-month rolling purchased gas  
7 adjustment mechanism, as described in more detail by Company Witness Elliott, and  
8 physical gas storage to mitigate price volatility to its customers.

9  
10 **III. PROPOSED CHANGES TO GENERAL TERMS AND CONDITIONS**

11 **Q. ARE THERE ANY CHANGES THAT DESC PROPOSES TO MAKE TO ITS**  
12 **GENERAL TERMS AND CONDITIONS FOR NATURAL GAS SERVICE?**

13 A. Yes. DESC proposes to make changes to its General Terms and Conditions for  
14 natural gas service ("Tariff"), all of which are shown in redline in the attached Exhibit  
15 No. \_\_ (RMJ-3). A clean version of the proposed revised Tariff is attached as Exhibit  
16 No. \_\_ (RMJ-4).

17  
18 **Q. PLEASE EXPLAIN THE PROPOSED CHANGES TO THE TARIFF AND**  
19 **THE REASON FOR EACH CHANGE.**

20 A. The proposed changes to the Tariff and the reason for each change are  
21 enumerated below:

1        1.        In Article VII(B)(f)(i), DESC proposes to strike “\$50.00 per dekatherm, plus  
2        two times the Company’s current base rate cost of gas, plus all other applicable  
3        upstream pipeline charges and the Customer’s base rate mark-up;” and replace it  
4        with “\$50.00 per dekatherm, plus the higher of: (a) the monthly contract index price  
5        for the applicable month as published in Inside F.E.R.C.’s Gas Market Report,  
6        “Prices of Spot Gas Delivered to Pipelines,” “Transcontinental Gas Pipe Line Corp.-  
7        Zone 3 (pooling points),” “ Index,” plus the one hundred percent (100%) load factor  
8        rate under Transcontinental Gas Pipe Line Company LLC’s currently effective Rate  
9        Schedule FT for deliveries from Zone 3 to Zone 5, including applicable fuel  
10       retention and surcharges, or (b) the absolute high price for the day of consumption  
11       as published in Gas Daily in the “Daily price survey,” “Citygates,” “Transco, zone  
12       5 delivered,” “Absolute,” high end of the range. For days of consumption when Gas  
13       Daily is not published, the daily price published by Gas Daily on the nearest  
14       subsequent day shall be used.” This change is proposed to deter interruptible  
15       customers from using natural gas during periods of curtailment. During the past  
16       few winter seasons, the East Coast has encountered extremely cold weather which  
17       has resulted in an increase in firm customer usage, an increase in the number of  
18       curtailments and unprecedented daily natural gas prices in the Company’s market  
19       area. Many interstate pipelines and local distribution companies have filed to  
20       request increases in charges for penalty gas, i.e., gas taken by the interruptible  
21       Customer after the effective hour of an order calling for curtailment of all  
22       interruptible gas. During the winter seasons of 2013-2014 and 2017-2018, daily

1 index prices for Transco Zone 5 exceeded \$100 per Dt. Although the Company was  
2 not required to purchase gas at this unprecedented level, some of the Company's  
3 interruptible customers failed to curtail.

4 2. In Article X, DESC proposes to strike "the current market price for delivered  
5 gas to the Dominion Energy South Carolina, Inc. city gate for the gas day the  
6 Emergency Gas (Capacity Related) is requested by the Customer, plus the Customer's  
7 base rate mark-up, plus any other applicable charge related to serving the Customer  
8 with Emergency Gas (Capacity Related)." DESC proposes replacement language that  
9 states "\$20.00 per dekatherm, plus the higher of: (a) the monthly contract index price  
10 for the applicable month as published in Inside F.E.R.C.'s Gas Market Report, "Prices  
11 of Spot Gas Delivered to Pipelines," "Transcontinental Gas Pipe Line Corp.- Zone 3  
12 (pooling points)," "Index," plus the one hundred percent (100%) load factor rate under  
13 Transcontinental Gas Pipe Line Company LLC's currently effective Rate Schedule FT  
14 for deliveries from Zone 3 to Zone 5, including applicable fuel retention and  
15 surcharges, or (b) the absolute high price for the day of consumption as published in  
16 Gas Daily in the "Daily price survey," "Citygates," "Transco, zone 5 delivered,"  
17 "Absolute," high end of the range. For days of consumption when Gas Daily is not  
18 published, the daily price published by Gas Daily on the nearest subsequent day shall  
19 be used." This change is proposed to encourage interruptible customers to contact the  
20 Company in the event that an emergency situation occurs during periods of curtailment  
21 while retaining the incentive to not use natural gas during periods of curtailment if at  
22 all possible.

#### IV. COMPANY REQUESTS

**Q. IN REGARD TO THE COMPANY'S PURCHASING PRACTICES, WHAT ARE YOU REQUESTING OF THE COMMISSION IN THIS PROCEEDING?**

A. During the Review Period, DESC contracted for sufficient supplies of natural gas and provided reliable service to its customers. DESC also adequately maintained gas, storage, and transportation assets for its system during the Review Period at levels that were prudent and reasonably met the reliability and service needs of the system. It is my opinion that DESC's acquisition and management of these assets during the Review Period has been prudent and reasonable. Therefore, I respectfully request the Commission find that DESC's cost for gas purchases and asset management were reasonable and prudent for the Review Period. I also request that the Commission approve the revisions to the Tariff.

**Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

A. Yes.



Exhibit No. \_\_\_\_ (RMJ-1)

Dominion Energy South Carolina  
Existing Firm Transportation Contracts

		<u>Transportation</u>				<u>Storage</u>			
			Transportation Dt/Day	Expiration Date	Type	Maximum Storage Quantity (Dt)	Maximum Daily Withdrawal Quantity (Dt)	Contract Expiration Date	
Southern									
	FSNG349 FT	Firm Transportation	44,078	August 31, 2021	CSS	4,908,848	99,121	August 31, 2021	
	FSNG349 FTNN	Firm Transportation	80,472	August 31, 2021					
	FSNG349 FT	Firm Transportation	36,594	August 31, 2021					
			161,144						
Transco									
	Z1 - Z5	Firm Transportation	3,209	December 30, 2021	ESS	115,846	13,854	September 30, 2029	
	Z2 - Z5	Firm Transportation	4,720	December 30, 2021	GSS	26,366	503	March 31, 2023	
	Z3 - Z5	Firm Transportation	3,587	December 30, 2021	WSS	447,938	4,715	March 31, 2021	
	Z3 - Z5	Firm Transportation	7,360	December 30, 2021	LNG	3,585	717	October 31, 2020	
	Station 65 (Sunbelt)	Firm Transportation	39,606	October 31, 2021	Total Transco	593,735	19,789		
	Station 85 (Sunbelt)	Firm Transportation	6,170	October 31, 2021					
	FT	Firm Transportation	5,806	March 31, 2084					
			70,458						
Dominion Energy Carolina Gas Transmission (DECGT)									
		Firm Transportation	1,500	April 30, 2028	DESC	1,880,000	105,000		
		Firm Transportation	7,500	October 31, 2026					
		Firm Transportation	12,000	October 31, 2036					
		Firm Transportation	50,000	February 29, 2048					
		Firm Transportation	5,000	March 31, 2035					
		Firm Transportation <sup>(1)</sup>	600	March 31, 2030					
		Firm Transportation	5,000	March 31, 2030					
		Firm Transportation	296,929	October 31, 2021					
			378,529						

<sup>(1)</sup>Transportation Contract commences November 1, 2019

Note: The Transco and Southern systems interconnect with the DECGT system at a number of metering stations. Supply transported using the firm capacity contracted for the Southern and Transco systems are, in most instances, delivered to Dominion Energy South Carolina's ("DESC") 96 delivery points by DECGT. Thus, firm transportation capacity on the Transco and Southern systems cannot be aggregated with the firm transportation capacity on DECGT to reflect accurately the firm transportation capacity available to deliver gas to DESC's customers.

Exhibit No. \_\_\_\_ (RMJ-2)

**Dominion Energy South Carolina**  
**Available System Wide Capacity to Serve Firm Sales Service Demand**

	<b>2019-20 Winter Reserve Capacity (Dt)</b>
DECGT Firm Interstate Capacity	378,529
DESC Shared DECGT Interstate Capacity	27,000
Segmented DECGT Interstate Capacity <sup>(1)</sup>	
Total Capacity to Deliver Gas to DESC via DECGT	<u>405,529</u>
DESC's Peak Design Day Demand (Firm Sales Service to Customers)	427,358
Less: Direct Connect Firm Sales Service Customers	36,335
Net DESC Firm Sales Service Customers behind DECGT	391,023
Reserve dts	<u><u>14,506</u></u>
Reserve %	3.71%

<sup>(1)</sup> Segmented Capacity utilizes existing Firm DECGT capacity at no additional demand cost.

**GENERAL TERMS AND CONDITIONS****I. GENERAL****A. Foreword**

1. In contemplation of the mutual protection of both Dominion Energy South Carolina, Inc. and its customers and for the purpose of rendering an impartial and more satisfactory service, the General Terms and Conditions of the Company are hereby set forth and filed with the Public Service Commission of South Carolina, which has jurisdiction over public utilities, so as to read as hereinafter set forth; the same being incorporated by reference in each contract or agreement for service.
2. These Terms and Conditions are supplementary to the Rules and Regulations issued by the Public Service Commission of South Carolina covering the operation of gas utilities in the State of South Carolina.
3. These Terms and Conditions may be supplemented for specific customers by contract.
4. Dominion Energy South Carolina, Inc. is referred to herein as "Company", and the user or prospective user is referred to as "Customer". The Public Service Commission of South Carolina is referred to here in "Commission".

**B. Application**

1. Provisions of these Terms and Conditions apply to all persons, partnerships, corporations or others designated as Customers who are lawfully receiving gas service from the Company under the prescribed Rate Schedules or contracts filed with the Commission. Receipt of service shall constitute a contract between Customer and Company. No contract may be transferred without the written consent of the Company.
2. **Term of Service** – The rates as prescribed by the Commission are based upon the supply of service to each individual Customer for a period of not less than one year, except as otherwise specifically provided under the terms of the particular Rate Schedule or contract covering such service.
3. **Terms and Conditions** – The Terms and Conditions contained herein are part of every contract for service entered into by the Company and govern all Classes of service where applicable unless specifically modified as a provision or provisions contained in a particular Rate Schedule or contract.
4. **Statement by Agents** – No representative of the Company has authority to modify any rule of the Commission, provisions of Rate Schedules, or to bind the Company by any promise or representation contrary hereto.

**II. DEFINITIONS**

Except where the context otherwise indicates another or different meaning or intent, the following terms are intended and used and shall be construed to have meanings as follows:

- A. "Day" shall mean period of twenty-four (24) consecutive hours beginning at 10:00 a.m. eastern time or at such other hours as may be designated.
- B. "Month" or "Billing Month" shall mean the period between any two (2) regular readings of Company's meters which shall be not less than twenty-eight (28) days or more than thirty-four (34) days.

- C. "Year" shall mean a period of 365 days commencing with the day of first delivery of gas hereunder, and each 365 days thereafter except that in a year having a date of February 29, such year shall consist of 366 days.
- D. "BTU" shall mean a British Thermal Unit: the amount of heat required to raise the temperature of one (1) pound of water one degree Fahrenheit (1°F) at sixty degrees Fahrenheit (60°F).
- E. "Therm" shall mean the quantity of heat energy which is 100,000 British Thermal Units.
- F. "Dekatherm" (dt) shall mean the quantity of heat energy which is 1,000,000 British Thermal Units.
- G. "Cubic Foot of Gas" shall mean the amount of gas necessary to fill a cubic foot of space when the gas is at a temperature of sixty degrees Fahrenheit (60°F) and under an absolute pressure of fourteen and seventy-three hundredths pounds per square inch (14.73 psia).
- H. "CCF" shall mean one hundred (100) cubic feet of gas.
- I. "MCF" shall mean one thousand (1,000) cubic feet of gas.
- J. "Natural Gas" or "Gas" shall mean natural gas, processed or unprocessed, vaporized liquid natural gas, synthetic gas, propane-air mixture, landfill gas, other unconventional source of methane gas or any mixture of these gases.
- K. "Point of Connection" shall mean the outlet side of Company measuring and regulating equipment.
- L. "Premises" shall mean a Customer's building or a portion of a building and contiguous area.
- M. Typical delivery pressure to residential customers will be 7 inches water column or 2 psig. Commercial and Industrial customers will be provided at a delivery pressure of up to 5 psig. Any delivery pressure other than these must be requested in writing and approved by the Company. Only one delivery pressure will be provided per meter location.

### III. CONDITIONS OF SERVICE

- A. **General** – The Customer shall consult with and furnish to the Company such information as the Company may require to determine the availability of the Company's service at a particular location before proceeding with plans for any new or additional gas loads. No new or additional gas loads will be served if it is determined that such service will jeopardize service to existing customers by increasing the total system's firm load requirements above available supplies.
- B. **Heating Value** – The normal range of heating value will not be less than 950 nor more than 1400 Btu per cubic foot of gas. Cubic Feet shall be converted to therm equivalent, for billing, by application of a fraction, the numerator of which shall be the weighted average BTU content of gas described in II.J. above entering the Company's system for the days representing the days in the billing cycle for the Customer and the denominator of which shall be 1,000. Where heating value by day is obtainable by means of a standard type of recording calorimeter, spectrometer, chromatograph or other approved instrument, then these daily values shall be used to convert cubic feet to the therm equivalent.
- C. **Installation Requirements** – Before piping a premises or purchasing equipment, the Customer shall give the Company notice and shall ascertain from the Company the character

of service available at such premises. The Company may specify the content and pressure of the gas to be furnished, the location of the meter, and the point where the service connection shall be made.

Where more than one service is required by the Customer, the Company will provide such additional service upon payment by the Customer to the Company of the charges above the cost of the first service. Each installation shall be a separate account.

All piping and equipment must be installed and maintained in accordance with the applicable codes and requirements of the local, municipal, state, and federal authorities, and the Customer shall keep in good and safe repair and condition all such piping and equipment from the point of connection at the meter assembly with the facilities of the Company. Customer assumes responsibility and liability for damages and injuries caused by failures or malfunction of Customer's equipment.

- D. Connection/Reconnection** – An inspection by the appropriate jurisdiction must be completed and presented to the Company by the Customer prior to connection or reconnection of gas service on any premises where gas has not previously been served, or inactive for an extended period of time or where the gas piping has been modified or altered or if an unsafe condition exists.

The Customer or an adult representative must be present to admit the Company Representative during a connection/reconnection service visit. A minimum of one natural gas appliance must be connected, operational and ready for use prior to connection/reconnection of gas service. An appliance or device which is found to be unsafe shall be disconnected and the service shall remain disconnected.

- E. Limitations or Extensions** – Service is supplied only where, in the opinion of the Company, adequate service is available or can be made available under the provisions of these rules. The Company's obligation to extend its facilities is limited to the assumption of new investment to the extent warranted by the revenue anticipated from the service to be supplied. Where the service to be supplied does not produce revenue sufficient to support the expenditure required to serve it, the Company will determine in each case the amount of payments and form thereof that may be required of the Customer.

The Company shall not be required to extend its distribution and service facilities, for the purpose of rendering gas service to the Customer until satisfactory rights-of-way, easements or permits have been obtained from government agencies and property owners, at the Customer's expense, to permit the installation, operation and maintenance of the Company's lines and facilities. The Customer in requesting or accepting service thereby grants the Company without charge necessary and perpetual rights-of-way and privileges for the Company to construct, emplace, replace, maintain, upgrade, and operate its facilities along, across, and under property controlled by the Customer to the extent that such rights-of-way and privileges are required or necessary to enable the Company to supply service to the Customer and the Customer also grants the Company the right to continue or extend the Company's facilities on, across, or under property controlled by the Customer with necessary and perpetual rights to serve other Customers. Customers shall maintain such right-of-way so as to grant the Company continued access to its facilities by Company and sub-contractor vehicles, personnel, and other power-operated equipment.

Company will, subject to limitations stated in this Section III.E., and subject to the execution by the applicant and acceptance by Company of a service contract which includes a right-of-way agreement, furnish and install a service line along with standard appurtenances, such as shut-off-valve, regulator and meter, and required service pipe up to 125 feet more or less without cost to the applicant.

- F. Safe Access to Customer's Premises** – The duly authorized representatives of the Company shall be permitted at any and all reasonable times to inspect, operate and maintain the Company's and the Customer's facilities and equipment for any and all purposes connected with the delivery of service, the determination of connected load and other data to be used for billing purposes, the determination of Customer load requirements or the exercise of any and all rights under the agreement.
- G. Curtailment of Supply**– The supply of service is subject to any orders of all duly constituted governmental authorities establishing any priority or limitation to service. Notwithstanding other provisions of the Company's Rate Schedules, the availability of gas service thereunder may be limited or curtailed, due to an insufficient supply of gas available to the Company, in accordance with priorities of service established and ordered by the Commission. **(See Section VII, Limitations or Curtailment and Section VIII, Force Majeure).**
- H. Denial or Discontinuance of Service** – The Company may refuse or discontinue service and remove the property of the Company without liability to the Customer, or tenants, or occupant of the premises served, for any loss, cost damage or expense occasioned by such refusal, discontinuance or removal, including but not limited to, any of the following reasons:
1. In the event of a condition determined by the Company to be hazardous or dangerous..
  2. In the event Customer's equipment is used in such a manner as to adversely affect the Company's service to others.
  3. In the event of unauthorized or fraudulent use of Company's service.
  4. Unauthorized adjustment of or tampering with Company's equipment.
  5. Customer's failure to fulfill his contractual obligations.
  6. For failure of the Customer to permit the Company reasonable access to its equipment.
  7. For non-payment of bill for service rendered provided that the Company has made reasonable efforts to affect collections.
  8. For failure of the Customer to provide the Company with a deposit.
  9. For failure of the Customer to furnish permits, certificates, and rights-of-way, as necessary in obtaining service, or in the event such permissions are withdrawn or terminated.
  10. For failure of the Customer to comply with reasonable restrictions on the use of service.
  11. The Company shall not furnish its service or continue its services to any applicant, who at the time of such application is indebted or any member of his household is or was indebted under an undisputed bill for service, previously furnished such applicant, or furnished any other member of the applicant's household or business.
  12. The Company may terminate a Customer's service should the Customer be in arrears on an account for service at another premises.

13. For the reason that the Customer's use of the utility service conflicts with, or violates orders, ordinances or laws of the State or any subdivision thereof, or of the Commission.

The Company may discontinue service without notice for reasons (1), (2), (3) and (6) above. For the remainder of the reasons the Customer shall be allowed a reasonable time in which to correct any discrepancy.

Failure of the Company to terminate or suspend service at any time after the occurrence of grounds therefore or to resort to any other legal remedy or to exercise any one or more of such alternative remedies, shall not waive or in any manner affect the Company's right to later resort to any or more of such rights or remedies on account of any such ground then existing or which may subsequently occur.

- I. Safety Requirements** – The Company is required under Regulations of the Commission to lock gas meters in the off position whenever service to a customer is discontinued. The requirement to lock a gas meter is applicable when gas service is turned off.

Restoration of gas service under these conditions will require a reconnection call to unlock the gas meter and restore gas service. The reconnection charge will be assessed for all such reconnection calls. The turning on or off of gas meters is to be done by a person duly authorized by the Company only.

- J. Reconnection Charge** – Where the Company has discontinued service for reasons listed in **Section III. H. and III.I.**, the Customer is subject to a reconnection charge of \$25 in addition to any other charges due and payable to the Company. If a Customer requests that a reconnection be made after normal working hours, the charge is \$35. In cases where both electric and gas services are reconnected at the same time on the same premises for the same Customer, only one charge will be made.

- K. Seasonal Block Charge** – A charge will apply for customers who disconnect service and subsequently request reconnection of service at the same premise within a 12 month period. This is commonly referred to as a seasonal block. The charge will be based on the number of months the customer is disconnected times the basic facilities charge as stated on the tariffs. In determining the month of disconnection, any number of days disconnected within a month constitutes a whole month of disconnection. If reconnection is requested to be performed after normal business hours, an additional of \$20.00 will be added to the charges as calculated above.

#### IV. BILLING AND PAYMENT TERMS

- A. General** – The rates specified in the various service classifications are stated on a monthly basis. Unless extenuating circumstances prevent, the Company will read meters at regular monthly intervals and render bills accordingly. If for any reason a meter is not read, the Company may prepare an estimated bill based on the Customer's average use billed for the preceding 60 days or from other information as may be available. All such bills are to be paid in accordance with the standard payment terms, and are subject to adjustment on the basis of actual use of service as computed from the next reading taken by the Company's representative or for any circumstances known to have affected the quantity of service used. No more than one estimated bill shall be rendered within a 60-day period unless otherwise agreed to by the Customer or allowed by the Commission. All billing errors shall be adjusted in accordance with the Commission's Rules and Regulations.

- B. Obligation** – The customer is responsible for all charges for gas furnished and for all charges under the agreement until the end of the terms thereof.



All bills shall be due and payable when rendered. Notice and collection of unpaid bills will be in accordance with the current Rules and Regulations of the Commission.

No Claim or demand which the Customer may have against the Company shall be set off or counterclaimed against the payment of any sum of money due the Company by the Customer for services rendered. All such sums shall be paid in accordance with the agreement regardless of any claim or demand.

Should service be terminated, the Customer's deposit shall be applied to reduce or liquidate the account. Service may be restored upon payment of the account, in full, plus the late payment charge set forth below, the reconnection charge set forth above and a deposit up to an amount equal to the total actual bills of the highest two (2) consecutive months based on experience of the preceding twelve (12) months or portions of the year if on a seasonal basis.

- C. Late Payment Charge** – A late payment charge of one and one half percent (1 ½%) will be added to any balance remaining twenty-five (25) days after the billing date.
- D. Deposit** – A maximum deposit in an amount equal to an estimated two (2) months (60 days) bill for a new Customer or in an amount equal to the total actual bills of the highest two (2) consecutive months based on the experience of the proceeding twelve (12) months or portion of the year if on a seasonal basis may be required from the Customer as security for payment of the account before service is rendered or continued if any of the following conditions exist: (1) the Customer's past payment record to the Company shows delinquent payment practice; (2) a new Customer cannot furnish either a letter of good credit from an acceptable source or an acceptable cosigner of guarantor on the Company's system to guarantee payment; (3) a Customer has no deposit and presently is delinquent in payments; (4) a Customer has had his service terminated for non-payment or fraudulent use. All deposits may be subject to review based on the actual experience of the Customer. The amount of deposit may be adjusted upward or downward to reflect the actual billing experience and payment habits of the Customer.
- E. Service Charge** – The Company may make reasonable charges for work performed on or services rendered:
  - 1. Upon Customer's request at the Customer's premises when, at the time the request is made, service and equipment provided by the Company is in good working condition and in compliance with these General Terms and Conditions and such other regulations as may be promulgated from time to time by any municipal bureau or other governmental agency having jurisdiction over the Customer's installation or premises;
  - 2. To repair, replace, remove, disconnect or gain access to Company's facilities or equipment where such repair, replacement removal or disconnection is made necessary by the willful action(s) of the Customer, members of the Customer's household or invitees of the Customer; or
  - 3. To repair, replace, remove or gain access to Company's facilities or equipment where such repair, replacement or removal is made necessary by the negligent failure of the Customer to take timely action to correct or to notify the Company or other responsible party to correct conditions which led to the needed repair, replacement or removal, except that such charges shall be apportioned between the Customer and the Company to the extent that the Customer shall only bear that part of the costs which reflect the costs added by the Customer's negligence. Such charges cannot be assessed where the damage is caused by an Act of God except to the extent that the Customer failed timely to mitigate the damages. Such charges may include labor, materials and transportation.



**V. COMPANY'S LIABILITY**

The Company will not be liable for damages or injuries sustained by Customer or others, or by the equipment of the Customer or others by reason of the condition or character of Customer's piping and equipment, or the piping and equipment of others on the Customer's premises. The Company will not be responsible for the use, care, or handling of service delivered to the customer after the same passes beyond the point of interconnection of the Company's facilities with that of the Customer. Customer assumes responsibility and liability for damages and injuries caused by failures or malfunction or Customer's equipment.

**VI. MEASUREMENT OF SERVICE**

**A. Measurements** – The volume and total heating value of the gas delivered hereunder shall be determined as follows:

1. All volumes delivered shall be corrected to the pressure base of 14.73 psia and temperature base of 60° F. The average absolute atmospheric pressure shall be assumed to be fourteen and seven-tenths (14.7) pounds to the square inch, irrespective of actual elevation or location of the point of delivery above sea level or variations in such atmospheric pressure from time to time.
2. When orifice meters are used, volumes delivered shall be computed in accordance with accepted industry standards
3. Gas volumes will be adjusted for BTU content, pressure, temperature, supercompressibility, specific gravity and any other applicable factors.
4. The temperature of the gas shall be assumed to be 60° F. unless Company elects to install a recording thermometer or temperature correcting device. If a recording thermometer is installed, the arithmetical average of the 24 hour period will be used to determine the temperature correctly.
5. The specific gravity of the gas shall be determined daily by a recording gravimeter or any other instrument of an industry acceptable standard manufacturer.
6. The total heating value of the gas delivered hereunder shall be determined by Company by using a standard type of recording calorimeter or other instrument of an industry acceptable standard manufacturer which shall be located on Company's system and/or its supplier's system, in order that the BTU content of gas delivered hereunder by be properly obtained.

**B. Meter Testing on Request of Customer** – The Customer may, at any time, upon reasonable notice, make written request of the Company to test the accuracy of the meters in use for his service. No deposit or payments shall be required from the Customer for such meter test if said meter has been in service at least one year without testing at Company's expense; otherwise, the Customer shall deposit the estimated cost of the test; said deposit shall not exceed \$15 without the approval of the Commission. The amount so deposited with the Company shall be refunded or credited to the Customer as part of the settlement of the disputed account if the meter is found, when tested, to register more than two percent (2%) fast or slow, otherwise the deposit shall be retained by the Company.

**C. Adjustments for Inaccurate Meters** - Where it is determined that the Company's meter is inaccurate or defective by more than 2% error in registration, bills shall be adjusted in accordance with the Commission Rules and Regulations.

**VII. LIMITATIONS OR CURTAILMENTS**

Notwithstanding other provisions of the Terms and Conditions and Rate Schedules of this tariff, the availability of gas service may be limited or curtailed due to operating conditions or any gas supply deficiency. During any period when operating condition or gas supply deficiencies require limitations or curtailment, the Company shall curtail deliveries of gas without discrimination within priority of service categories established by the Commission as follows:

**A. Definitions** – The definitions of the term used in the Curtailment Plan are as follows:

1. **Residential** - Service to Customers which consists of direct natural gas usage in a residential dwelling of space heating, air conditioning, cooking, water heating, and other residential uses.
2. **Commercial** – Service to Customers engaged primarily in the sale of goods or services including institutions and local, state and federal government agencies for uses other than those involving manufacturing or electric power generation.
3. **Industrial** – Service to Customers engaged primarily in a process which creates or changes raw or unfinished materials into other form or product including the generation of electric power.
4. **Firm Service** – Service from Rate Schedules or contracts under which Seller is expressly obligated to deliver specific volumes within a given time period and which anticipates no interruptions, but which may permit unexpected interruptions in case the supply to higher priority Customers is threatened.
5. **Interruptible Service** – Service from Rate Schedules or contracts under which Seller is not expressly obligated to deliver specific volumes within a given time period, and which anticipates and permits interruption on short notice, or service under Rate Schedules or contracts which expressly or impliedly require installation of alternate fuel capability.
6. **Plant Protection Gas** – Minimum volumes required to prevent physical harm to the plant facilities or danger to plant personnel when such protection cannot be afforded through the use of an alternate fuel. This includes the protection of such material in process as would otherwise be destroyed, but shall not include deliveries required to maintain plant production.
7. **Feedstock Gas** - Natural gas used as a raw material for its chemical properties in creating an end product.
8. **Process Gas** - Gas used for which alternate fuels, other than another gaseous fuel, are not technically feasible such as applications requiring precise temperature controls and precise flame characteristics.
9. **Boiler Fuel** – Natural gas used as fuel for the generation of steam and internal combustion turbine engines for the generation of electricity.
10. **Alternate Fuel Capability** – A situation where an alternate fuel could have been utilized whether or not the facilities for such have actually been installed: provided, however, where the use of natural gas is for plant protection, feedstock, or process uses and the only alternate fuel is propane or other gaseous fuel, then the Buyer will be treated as if he had no alternate fuel capability if such fuel is unobtainable for serving fuel needs.
11. **Storage Injection Requirements** – Volumes required by the Company for injection into underground storage, including cushion gas and for liquefaction, including fuel used for injection in liquefaction plants, or for such other storage projects which may be developed expressly for the protection of supply or high priority uses.
12. **Company Use Gas** - Fuel used in gas compression, propane-air plants, LNG plants, other gas needed by Company's facilities to furnish the requirements of Customers, together with unaccounted for gas, shall be considered for purposes of this curtailment plan to be in Category 1.
13. **Essential Human Needs** – Natural gas service, which, if denied, would cause shutdown of an operation resulting in closing of an establishment essential to maintaining the health and safety of the general public.

**14. Gas Supply Deficiency** – Any occurrence relating to Company's gas supply which causes Company to deliver less than the total requirements of its system, including failures of suppliers to deliver gas for any reason, requirements of gas for system storage, conservation of gas for future delivery, or any other occurrence not enumerated herein which affects Company's gas supply.

**15. Emergency Service** – Supplemental deliveries of natural gas that may be required to forestall irreparable injury to life or property including environmental emergencies.

**16. Daily Gas Price Index** – This term means the arithmetic average of:

- (i) Natural Gas Intelligence Daily Gas Price Index, *Louisiana, Southern Natural*; and
- (ii) Natural Gas Intelligence Daily Gas Price index, *Louisiana, Transco St. 65*.

If no index for a gas day is published, the price will be computed as the average of the applicable indices on the closest index publication date preceding and the closest index publication date following such gas day.

**B. Curtailment for Gas Supply Deficiency**

In the event of Gas Supply Deficiency on the Company's system, the Company shall require curtailment of service to Customer in accordance with the following procedure.

- (a) The Company shall order curtailment of sales made to Customers purchasing gas under the Company's Rate Schedules or special contracts in descending order in accordance with priority of service categories set forth below. Approved emergency gas is excepted from curtailment.
  - 1. Residential and small commercial Customers (less than 50 Dekatherms on a peak day) and essential human needs Customers where there is no installed or available alternate fuel capability.
  - 2. Large commercial direct flame requirements (20 Dekatherms or more on a peak day); firm industrial requirements for plant protection, feedstock and process needs, and storage injection requirements.
  - 3A. Firm industrial requirements for uses other than boiler fuel which do not qualify for Category 2.
  - 3B. Firm commercial and industrial boiler fuel requirement up to 1,000 Dekatherms on a peak day.
  - 3C. Interruptible requirements for human need types of facilities such as public buildings, hospitals and laundries.
  - 3D. Interruptible requirements for direct flame applications which can utilize only another gaseous fuel as an alternate.
  - 3E. Interruptible requirements for direct flame applications which can utilize a fuel other than a gaseous fuel as an alternate.
  - 3F. Interruptible requirements for boiler fuel use of less than 300 Dekatherms on a peak day.
  - 4. (LEFT BLANK INTENTIONALLY.)
  - 5. (LEFT BLANK INTENTIONALLY.)
  - 6. Interruptible boiler fuel requirements of 300 Dekatherms or more, but less than 1,500 Dekatherms on a peak day, where alternate fuel capabilities can meet such requirements.
  - 7. Interruptible boiler fuel requirements of 1,500 Dekatherms or more, but less than 3,000 Dekatherms on a peak day, where alternate fuel capabilities can meet such requirements.
  - 8. Interruptible boiler fuel requirements of 3,000 Dekatherms or more, but less than 10,000 Dekatherms on a peak day, where alternate fuel capabilities can meet such requirements.
  - 9. Interruptible boiler fuel requirements of 10,000 Dekatherms or more on a peak day, where alternate fuel capabilities can meet such requirements.
  - 10. Natural gas requirements of Customers who have alternate fuel as their primary source, but use natural gas as a standby fuel.

- (b) Curtailment will be in descending order beginning with Category 10 (i.e. Category 1 is the highest priority).

A determination of the category in which a Customer is placed will be made each year based upon usage in the preceding twelve (12) months ending August 31 and/or current contract as of the same date. The placement of a Customer in a category in accordance with the determination made herein will be effective November 1 of the current year, extending through October 31 of the following year. A moving base period will be used each year with such base period to include the preceding twelve (12) months ending August 31 of the current year. Reclassification in categories will be effective on November 1 of the current year. Where a reclassification is necessary, the affected Customer will be notified of such reclassification prior to November 1 of the current year.

- (c) Where daily volumes are not available to make the determination of the 50/Dekatherms/day required in Section (b) of the Curtailment Plan, then the daily volume requirements shall be determined by taking the Dekatherms usage of the Customers for any month during the previous twelve (12) month period ending August 31 and dividing that month's use by the number of days during that specific billing cycle and multiplying the result by 1.5. By means of the average daily volume thus obtained, the Customer will be placed in the appropriate category. Where daily volumes for the peak month in the base period are available to make the required determination, then such volumes will be used.
- (d) Any new Customer added during any base period will be placed in the appropriate category by the Company in accordance with the best information available.
- (e) Notwithstanding the terms of any service contract or agreement, general terms and conditions, tariff provisions, or rate provisions to the contrary, the Company may, during periods of curtailment, limit curtailment within any given geographic area or areas to those Customers within the area or areas where the need for the curtailment exists. Geographic areas will be defined by the Dominion Carolina Gas Transmission ("DCGT") approved tariff and determined based upon any applicable Operational Flow Order issued by DCGT. While the Company may limit the curtailment to a specific geographic area or areas or may vary the extent of the curtailment among such areas as the needs of the system require, the Company shall nevertheless preserve and enforce the applicable priorities of service categories within each geographic area. This provision (Section VII(B)(e)) applies to both firm and interruptible customers.
- (f) Notwithstanding the terms of any service contract or agreement, general terms and conditions, tariff provisions, or rate provisions to the contrary, if the Company issues a curtailment order and Customer does not comply with the order, the Company will assess, and Customer will be obligated to pay, a penalty to the Company as follows:

(i) For violation of a curtailment order the Customer shall pay to the Company \$50.00 per dekatherm, plus the higher of: (a) the monthly contract index price for the applicable month as published in Inside F.E.R.C.'s Gas Market Report, "Prices of Spot Gas Delivered to Pipelines," "Transcontinental Gas Pipe Line Corp.- Zone 3 (pooling points)," "Index," plus the one hundred percent (100%) load factor rate under Transcontinental Gas Pipe Line Company LLC's currently effective Rate Schedule FT for deliveries from Zone 3 to Zone 5, including applicable fuel retention and surcharges, or (b) the absolute high price for the day of consumption as published in Gas Daily in the "Daily price survey," "Citygates," "Transco, zone 5 delivered," "Absolute," high end of the range. For days of consumption when Gas Daily is not published, the daily price published by Gas Daily on the nearest subsequent day shall be used. ~~\$50.00 per dekatherm, plus two times the Company's current base rate cost of gas, plus all other applicable upstream pipeline charges and the Customer's base rate mark-up;~~

(ii) In addition to the penalties set forth above in Section VII(B)(f)(i), the Customer shall pay to the Company an amount equal to their pro-rata share of any penalty incurred by the Company for violation of an upstream pipeline's Operational Flow Order ("OFO"), if the Customer's violation of Dominion Energy South Carolina, Inc.'s curtailment order results in incremental costs above the penalty assessed in Section VII(B)(f)(i) above.

(iii) Penalties will be assessed on each dekatherm of gas received into or taken out of the Company's system when such deliveries or receipts are not in compliance with a curtailment order.

(iv) The payment of a penalty under this provision shall under no circumstances be considered as giving Customer any right to violate any curtailment order issued. Further, the receipt of payment by the Company from any customer violating any provision of these Curtailment of Service Provisions shall not be considered as a substitute for or in lieu of any other remedy available to the Company for Customer's failure to comply with the curtailment order.

(v) This provision (Section VII(B)(f)) applies only to interruptible customers.

#### **VIII. FORCE MAJEURE**

In the event Company is unable, wholly or in part, by reason of Force Majeure to carry out its obligation to provide service under its Rate Schedules or contracts, the obligations of Company, so far as they are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused by for no longer period and such cause shall, as far as possible, be remedied with all reasonable dispatch.

The term "Force Majeure" as employed herein shall include but not be limited to acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, wars, blockade, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, extreme weather conditions, storms, floods washouts, arrest and restraints of government and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, the maintaining or repairing or alteration of machinery, equipment structures, or lines of pipe (which maintaining, repairing or alteration shall, however be carried out in such manner as to cause the smallest practicable curtailments or interruption of deliveries of gas), freezing of wells or lines of pipe, partial or entire failure or depletion of gas wells, partial or complete curtailment of deliveries under Company's gas purchase contracts, inability to obtain rights-of-way or permits or materials, equipment or supplies, and any cause other than those enumerated herein (whether of the kind enumerated or otherwise) not within the control of the person claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. It is understood and agreed that the settlement or strikes or lockouts shall be entirely within the discretion of the persons affected, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts when such course is inadvisable in the discretion of the person affected there

#### **IX. SALES OF APPROVED EMERGENCY GAS (SUPPLY RELATED)**

The Company may, in its discretion, offer any interruptible customer subject to curtailment the ability to buy Emergency Gas (Supply Related) during the curtailment on an interruptible basis when gas supplies and transportation are available. Any gas purchases made under this provision shall be priced at the actual delivered price of the specific source of supply allocated by the Company to serve the Customer, plus the approved maximum contract margin for service, plus all other costs and charges related to the specific gas supply used to serve the Customer.

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Sales volumes and supply costs related to the gas supplied pursuant to this provision shall not be considered in computing the Company's weighted average cost of gas or in administering any aspects of the Company's Purchased Gas Adjustment ("PGA"), PGA process, or orders related thereto.



**X. SALES OF APPROVED EMERGENCY GAS (CAPACITY RELATED)**

When any interruptible customer subject to curtailment requests Emergency Gas (Capacity Related) from the Company's Gas Control and such request is made before or during the period of curtailment, the Company may, in its discretion, offer the customer the ability to buy Emergency Gas (Capacity Related) during the curtailment on an interruptible basis when gas supplies and transportation are available. Any gas purchases made under this provision shall be priced at \$50.00 per dekatherm, plus the higher of: (a) the monthly contract index price for the applicable month as published in Inside F.E.R.C.'s Gas Market Report, "Prices of Spot Gas Delivered to Pipelines," "Transcontinental Gas Pipe Line Corp.- Zone 3 (pooling points)," "Index," plus the one hundred percent (100%) load factor rate under Transcontinental Gas Pipe Line Company LLC's currently effective Rate Schedule FT for deliveries from Zone 3 to Zone 5, including applicable fuel retention and surcharges, or (b) the absolute high price for the day of consumption as published in Gas Daily in the "Daily price survey," "Citygates," "Transco, zone 5 delivered," "Absolute," high end of the range. For days of consumption when Gas Daily is not published, the daily price published by Gas Daily on the nearest subsequent day shall be used~~the current market price for delivered gas to the Dominion Energy South Carolina, Inc. city gate for the gas day the Emergency Gas (Capacity Related) is requested by the Customer, plus the Customer's base rate mark-up, plus any other applicable charge related to serving the Customer with Emergency Gas (Capacity Related).~~ Sales volumes and supply costs related to the gas supplied pursuant to this provision shall not be considered in computing the Company's weighted average cost of gas or in administering any aspects of the Company's Purchased Gas Adjustment ("PGA"), PGA process, or orders related thereto.

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**GENERAL TERMS AND CONDITIONS****I. GENERAL****A. Foreword**

1. In contemplation of the mutual protection of both Dominion Energy South Carolina, Inc. and its customers and for the purpose of rendering an impartial and more satisfactory service, the General Terms and Conditions of the Company are hereby set forth and filed with the Public Service Commission of South Carolina, which has jurisdiction over public utilities, so as to read as hereinafter set forth; the same being incorporated by reference in each contract or agreement for service.
2. These Terms and Conditions are supplementary to the Rules and Regulations issued by the Public Service Commission of South Carolina covering the operation of gas utilities in the State of South Carolina.
3. These Terms and Conditions may be supplemented for specific customers by contract.
4. Dominion Energy South Carolina, Inc. is referred to herein as "Company", and the user or prospective user is referred to as "Customer". The Public Service Commission of South Carolina is referred to here in "Commission".

**B. Application**

1. Provisions of these Terms and Conditions apply to all persons, partnerships, corporations or others designated as Customers who are lawfully receiving gas service from the Company under the prescribed Rate Schedules or contracts filed with the Commission. Receipt of service shall constitute a contract between Customer and Company. No contract may be transferred without the written consent of the Company.
2. **Term of Service** – The rates as prescribed by the Commission are based upon the supply of service to each individual Customer for a period of not less than one year, except as otherwise specifically provided under the terms of the particular Rate Schedule or contract covering such service.
3. **Terms and Conditions** – The Terms and Conditions contained herein are part of every contract for service entered into by the Company and govern all Classes of service where applicable unless specifically modified as a provision or provisions contained in a particular Rate Schedule or contract.
4. **Statement by Agents** – No representative of the Company has authority to modify any rule of the Commission, provisions of Rate Schedules, or to bind the Company by any promise or representation contrary hereto.

**II. DEFINITIONS**

Except where the context otherwise indicates another or different meaning or intent, the following terms are intended and used and shall be construed to have meanings as follows:

- A. "Day" shall mean period of twenty-four (24) consecutive hours beginning at 10:00 a.m. eastern time or at such other hours as may be designated.
- B. "Month" or "Billing Month" shall mean the period between any two (2) regular readings of Company's meters which shall be not less than twenty-eight (28) days or more than thirty-four (34) days.

- C. "Year" shall mean a period of 365 days commencing with the day of first delivery of gas hereunder, and each 365 days thereafter except that in a year having a date of February 29, such year shall consist of 366 days.
- D. "BTU" shall mean a British Thermal Unit: the amount of heat required to raise the temperature of one (1) pound of water one degree Fahrenheit (1°F) at sixty degrees Fahrenheit (60°F).
- E. "Therm" shall mean the quantity of heat energy which is 100,000 British Thermal Units.
- F. "Dekatherm" (dt) shall mean the quantity of heat energy which is 1,000,000 British Thermal Units.
- G. "Cubic Foot of Gas" shall mean the amount of gas necessary to fill a cubic foot of space when the gas is at a temperature of sixty degrees Fahrenheit (60°F) and under an absolute pressure of fourteen and seventy-three hundredths pounds per square inch (14.73 psia).
- H. "CCF" shall mean one hundred (100) cubic feet of gas.
- I. "MCF" shall mean one thousand (1,000) cubic feet of gas.
- J. "Natural Gas" or "Gas" shall mean natural gas, processed or unprocessed, vaporized liquid natural gas, synthetic gas, propane-air mixture, landfill gas, other unconventional source of methane gas or any mixture of these gases.
- K. "Point of Connection" shall mean the outlet side of Company measuring and regulating equipment.
- L. "Premises" shall mean a Customer's building or a portion of a building and contiguous area.
- M. Typical delivery pressure to residential customers will be 7 inches water column or 2 psig. Commercial and Industrial customers will be provided at a delivery pressure of up to 5 psig. Any delivery pressure other than these must be requested in writing and approved by the Company. Only one delivery pressure will be provided per meter location.

### III. CONDITIONS OF SERVICE

- A. **General** – The Customer shall consult with and furnish to the Company such information as the Company may require to determine the availability of the Company's service at a particular location before proceeding with plans for any new or additional gas loads. No new or additional gas loads will be served if it is determined that such service will jeopardize service to existing customers by increasing the total system's firm load requirements above available supplies.
- B. **Heating Value** – The normal range of heating value will not be less than 950 nor more than 1400 Btu per cubic foot of gas. Cubic Feet shall be converted to therm equivalent, for billing, by application of a fraction, the numerator of which shall be the weighted average BTU content of gas described in II.J. above entering the Company's system for the days representing the days in the billing cycle for the Customer and the denominator of which shall be 1,000. Where heating value by day is obtainable by means of a standard type of recording calorimeter, spectrometer, chromatograph or other approved instrument, then these daily values shall be used to convert cubic feet to the therm equivalent.
- C. **Installation Requirements** – Before piping a premises or purchasing equipment, the Customer shall give the Company notice and shall ascertain from the Company the character

of service available at such premises. The Company may specify the content and pressure of the gas to be furnished, the location of the meter, and the point where the service connection shall be made.

Where more than one service is required by the Customer, the Company will provide such additional service upon payment by the Customer to the Company of the charges above the cost of the first service. Each installation shall be a separate account.

All piping and equipment must be installed and maintained in accordance with the applicable codes and requirements of the local, municipal, state, and federal authorities, and the Customer shall keep in good and safe repair and condition all such piping and equipment from the point of connection at the meter assembly with the facilities of the Company. Customer assumes responsibility and liability for damages and injuries caused by failures or malfunction of Customer's equipment.

- D. Connection/Reconnection** – An inspection by the appropriate jurisdiction must be completed and presented to the Company by the Customer prior to connection or reconnection of gas service on any premises where gas has not previously been served, or inactive for an extended period of time or where the gas piping has been modified or altered or if an unsafe condition exists.

The Customer or an adult representative must be present to admit the Company Representative during a connection/reconnection service visit. A minimum of one natural gas appliance must be connected, operational and ready for use prior to connection/reconnection of gas service. An appliance or device which is found to be unsafe shall be disconnected and the service shall remain disconnected.

- E. Limitations or Extensions** – Service is supplied only where, in the opinion of the Company, adequate service is available or can be made available under the provisions of these rules. The Company's obligation to extend its facilities is limited to the assumption of new investment to the extent warranted by the revenue anticipated from the service to be supplied. Where the service to be supplied does not produce revenue sufficient to support the expenditure required to serve it, the Company will determine in each case the amount of payments and form thereof that may be required of the Customer.

The Company shall not be required to extend its distribution and service facilities, for the purpose of rendering gas service to the Customer until satisfactory rights-of-way, easements or permits have been obtained from government agencies and property owners, at the Customer's expense, to permit the installation, operation and maintenance of the Company's lines and facilities. The Customer in requesting or accepting service thereby grants the Company without charge necessary and perpetual rights-of-way and privileges for the Company to construct, emplace, replace, maintain, upgrade, and operate its facilities along, across, and under property controlled by the Customer to the extent that such rights-of-way and privileges are required or necessary to enable the Company to supply service to the Customer and the Customer also grants the Company the right to continue or extend the Company's facilities on, across, or under property controlled by the Customer with necessary and perpetual rights to serve other Customers. Customers shall maintain such right-of-way so as to grant the Company continued access to its facilities by Company and sub-contractor vehicles, personnel, and other power-operated equipment.

Company will, subject to limitations stated in this Section III.E., and subject to the execution by the applicant and acceptance by Company of a service contract which includes a right-of-way agreement, furnish and install a service line along with standard appurtenances, such as shut-off-valve, regulator and meter, and required service pipe up to 125 feet more or less without cost to the applicant.

- F. Safe Access to Customer's Premises** – The duly authorized representatives of the Company shall be permitted at any and all reasonable times to inspect, operate and maintain the Company's and the Customer's facilities and equipment for any and all purposes connected with the delivery of service, the determination of connected load and other data to be used for billing purposes, the determination of Customer load requirements or the exercise of any and all rights under the agreement.
- G. Curtailment of Supply**– The supply of service is subject to any orders of all duly constituted governmental authorities establishing any priority or limitation to service. Notwithstanding other provisions of the Company's Rate Schedules, the availability of gas service thereunder may be limited or curtailed, due to an insufficient supply of gas available to the Company, in accordance with priorities of service established and ordered by the Commission. **(See Section VII, Limitations or Curtailment and Section VIII, Force Majeure).**
- H. Denial or Discontinuance of Service** – The Company may refuse or discontinue service and remove the property of the Company without liability to the Customer, or tenants, or occupant of the premises served, for any loss, cost damage or expense occasioned by such refusal, discontinuance or removal, including but not limited to, any of the following reasons:
1. In the event of a condition determined by the Company to be hazardous or dangerous..
  2. In the event Customer's equipment is used in such a manner as to adversely affect the Company's service to others.
  3. In the event of unauthorized or fraudulent use of Company's service.
  4. Unauthorized adjustment of or tampering with Company's equipment.
  5. Customer's failure to fulfill his contractual obligations.
  6. For failure of the Customer to permit the Company reasonable access to its equipment.
  7. For non-payment of bill for service rendered provided that the Company has made reasonable efforts to affect collections.
  8. For failure of the Customer to provide the Company with a deposit.
  9. For failure of the Customer to furnish permits, certificates, and rights-of-way, as necessary in obtaining service, or in the event such permissions are withdrawn or terminated.
  10. For failure of the Customer to comply with reasonable restrictions on the use of service.
  11. The Company shall not furnish its service or continue its services to any applicant, who at the time of such application is indebted or any member of his household is or was indebted under an undisputed bill for service, previously furnished such applicant, or furnished any other member of the applicant's household or business.
  12. The Company may terminate a Customer's service should the Customer be in arrears on an account for service at another premises.

13. For the reason that the Customer's use of the utility service conflicts with, or violates orders, ordinances or laws of the State or any subdivision thereof, or of the Commission.

The Company may discontinue service without notice for reasons (1), (2), (3) and (6) above. For the remainder of the reasons the Customer shall be allowed a reasonable time in which to correct any discrepancy.

Failure of the Company to terminate or suspend service at any time after the occurrence of grounds therefore or to resort to any other legal remedy or to exercise any one or more of such alternative remedies, shall not waive or in any manner affect the Company's right to later resort to any or more of such rights or remedies on account of any such ground then existing or which may subsequently occur.

- I. Safety Requirements** – The Company is required under Regulations of the Commission to lock gas meters in the off position whenever service to a customer is discontinued. The requirement to lock a gas meter is applicable when gas service is turned off.

Restoration of gas service under these conditions will require a reconnection call to unlock the gas meter and restore gas service. The reconnection charge will be assessed for all such reconnection calls. The turning on or off of gas meters is to be done by a person duly authorized by the Company only.

- J. Reconnection Charge** – Where the Company has discontinued service for reasons listed in **Section III. H. and III.I.**, the Customer is subject to a reconnection charge of \$25 in addition to any other charges due and payable to the Company. If a Customer requests that a reconnection be made after normal working hours, the charge is \$35. In cases where both electric and gas services are reconnected at the same time on the same premises for the same Customer, only one charge will be made.

- K. Seasonal Block Charge** – A charge will apply for customers who disconnect service and subsequently request reconnection of service at the same premise within a 12 month period. This is commonly referred to as a seasonal block. The charge will be based on the number of months the customer is disconnected times the basic facilities charge as stated on the tariffs. In determining the month of disconnection, any number of days disconnected within a month constitutes a whole month of disconnection. If reconnection is requested to be performed after normal business hours, an additional of \$20.00 will be added to the charges as calculated above.

#### IV. BILLING AND PAYMENT TERMS

- A. General** – The rates specified in the various service classifications are stated on a monthly basis. Unless extenuating circumstances prevent, the Company will read meters at regular monthly intervals and render bills accordingly. If for any reason a meter is not read, the Company may prepare an estimated bill based on the Customer's average use billed for the preceding 60 days or from other information as may be available. All such bills are to be paid in accordance with the standard payment terms, and are subject to adjustment on the basis of actual use of service as computed from the next reading taken by the Company's representative or for any circumstances known to have affected the quantity of service used. No more than one estimated bill shall be rendered within a 60-day period unless otherwise agreed to by the Customer or allowed by the Commission. All billing errors shall be adjusted in accordance with the Commission's Rules and Regulations.

- B. Obligation** – The customer is responsible for all charges for gas furnished and for all charges under the agreement until the end of the terms thereof.

All bills shall be due and payable when rendered. Notice and collection of unpaid bills will be in accordance with the current Rules and Regulations of the Commission.

No Claim or demand which the Customer may have against the Company shall be set off or counterclaimed against the payment of any sum of money due the Company by the Customer for services rendered. All such sums shall be paid in accordance with the agreement regardless of any claim or demand.

Should service be terminated, the Customer's deposit shall be applied to reduce or liquidate the account. Service may be restored upon payment of the account, in full, plus the late payment charge set forth below, the reconnection charge set forth above and a deposit up to an amount equal to the total actual bills of the highest two (2) consecutive months based on experience of the preceding twelve (12) months or portions of the year if on a seasonal basis.

- C. Late Payment Charge** – A late payment charge of one and one half percent (1 ½%) will be added to any balance remaining twenty-five (25) days after the billing date.
- D. Deposit** – A maximum deposit in an amount equal to an estimated two (2) months (60 days) bill for a new Customer or in an amount equal to the total actual bills of the highest two (2) consecutive months based on the experience of the proceeding twelve (12) months or portion of the year if on a seasonal basis may be required from the Customer as security for payment of the account before service is rendered or continued if any of the following conditions exist: (1) the Customer's past payment record to the Company shows delinquent payment practice; (2) a new Customer cannot furnish either a letter of good credit from an acceptable source or an acceptable cosigner of guarantor on the Company's system to guarantee payment; (3) a Customer has no deposit and presently is delinquent in payments; (4) a Customer has had his service terminated for non-payment or fraudulent use. All deposits may be subject to review based on the actual experience of the Customer. The amount of deposit may be adjusted upward or downward to reflect the actual billing experience and payment habits of the Customer.
- E. Service Charge** – The Company may make reasonable charges for work performed on or services rendered:
  - 1. Upon Customer's request at the Customer's premises when, at the time the request is made, service and equipment provided by the Company is in good working condition and in compliance with these General Terms and Conditions and such other regulations as may be promulgated from time to time by any municipal bureau or other governmental agency having jurisdiction over the Customer's installation or premises;
  - 2. To repair, replace, remove, disconnect or gain access to Company's facilities or equipment where such repair, replacement removal or disconnection is made necessary by the willful action(s) of the Customer, members of the Customer's household or invitees of the Customer; or
  - 3. To repair, replace, remove or gain access to Company's facilities or equipment where such repair, replacement or removal is made necessary by the negligent failure of the Customer to take timely action to correct or to notify the Company or other responsible party to correct conditions which led to the needed repair, replacement or removal, except that such charges shall be apportioned between the Customer and the Company to the extent that the Customer shall only bear that part of the costs which reflect the costs added by the Customer's negligence. Such charges cannot be assessed where the damage is caused by an Act of God except to the extent that the Customer failed timely to mitigate the damages. Such charges may include labor, materials and transportation.

**V. COMPANY'S LIABILITY**

The Company will not be liable for damages or injuries sustained by Customer or others, or by the equipment of the Customer or others by reason of the condition or character of Customer's piping and equipment, or the piping and equipment of others on the Customer's premises. The Company will not be responsible for the use, care, or handling of service delivered to the customer after the same passes beyond the point of interconnection of the Company's facilities with that of the Customer. Customer assumes responsibility and liability for damages and injuries caused by failures or malfunction or Customer's equipment.

**VI. MEASUREMENT OF SERVICE**

**A. Measurements** – The volume and total heating value of the gas delivered hereunder shall be determined as follows:

1. All volumes delivered shall be corrected to the pressure base of 14.73 psia and temperature base of 60° F. The average absolute atmospheric pressure shall be assumed to be fourteen and seven-tenths (14.7) pounds to the square inch, irrespective of actual elevation or location of the point of delivery above sea level or variations in such atmospheric pressure from time to time.
2. When orifice meters are used, volumes delivered shall be computed in accordance with accepted industry standards
3. Gas volumes will be adjusted for BTU content, pressure, temperature, supercompressibility, specific gravity and any other applicable factors.
4. The temperature of the gas shall be assumed to be 60° F. unless Company elects to install a recording thermometer or temperature correcting device. If a recording thermometer is installed, the arithmetical average of the 24 hour period will be used to determine the temperature correctly.
5. The specific gravity of the gas shall be determined daily by a recording gravimeter or any other instrument of an industry acceptable standard manufacturer.
6. The total heating value of the gas delivered hereunder shall be determined by Company by using a standard type of recording calorimeter or other instrument of an industry acceptable standard manufacturer which shall be located on Company's system and/or its supplier's system, in order that the BTU content of gas delivered hereunder by be properly obtained.

**B. Meter Testing on Request of Customer** – The Customer may, at any time, upon reasonable notice, make written request of the Company to test the accuracy of the meters in use for his service. No deposit or payments shall be required from the Customer for such meter test if said meter has been in service at least one year without testing at Company's expense; otherwise, the Customer shall deposit the estimated cost of the test; said deposit shall not exceed \$15 without the approval of the Commission. The amount so deposited with the Company shall be refunded or credited to the Customer as part of the settlement of the disputed account if the meter is found, when tested, to register more than two percent (2%) fast or slow, otherwise the deposit shall be retained by the Company.

**C. Adjustments for Inaccurate Meters** - Where it is determined that the Company's meter is inaccurate or defective by more than 2% error in registration, bills shall be adjusted in accordance with the Commission Rules and Regulations.

**VII. LIMITATIONS OR CURTAILMENTS**

Notwithstanding other provisions of the Terms and Conditions and Rate Schedules of this tariff, the availability of gas service may be limited or curtailed due to operating conditions or any gas supply deficiency. During any period when operating condition or gas supply deficiencies require limitations or curtailment, the Company shall curtail deliveries of gas without discrimination within priority of service categories established by the Commission as follows:

**A. Definitions** – The definitions of the term used in the Curtailment Plan are as follows:

1. **Residential** - Service to Customers which consists of direct natural gas usage in a residential dwelling of space heating, air conditioning, cooking, water heating, and other residential uses.
2. **Commercial** – Service to Customers engaged primarily in the sale of goods or services including institutions and local, state and federal government agencies for uses other than those involving manufacturing or electric power generation.
3. **Industrial** – Service to Customers engaged primarily in a process which creates or changes raw or unfinished materials into other form or product including the generation of electric power.
4. **Firm Service** – Service from Rate Schedules or contracts under which Seller is expressly obligated to deliver specific volumes within a given time period and which anticipates no interruptions, but which may permit unexpected interruptions in case the supply to higher priority Customers is threatened.
5. **Interruptible Service** – Service from Rate Schedules or contracts under which Seller is not expressly obligated to deliver specific volumes within a given time period, and which anticipates and permits interruption on short notice, or service under Rate Schedules or contracts which expressly or impliedly require installation of alternate fuel capability.
6. **Plant Protection Gas** – Minimum volumes required to prevent physical harm to the plant facilities or danger to plant personnel when such protection cannot be afforded through the use of an alternate fuel. This includes the protection of such material in process as would otherwise be destroyed, but shall not include deliveries required to maintain plant production.
7. **Feedstock Gas** - Natural gas used as a raw material for its chemical properties in creating an end product.
8. **Process Gas** - Gas used for which alternate fuels, other than another gaseous fuel, are not technically feasible such as applications requiring precise temperature controls and precise flame characteristics.
9. **Boiler Fuel** – Natural gas used as fuel for the generation of steam and internal combustion turbine engines for the generation of electricity.
10. **Alternate Fuel Capability** – A situation where an alternate fuel could have been utilized whether or not the facilities for such have actually been installed: provided, however, where the use of natural gas is for plant protection, feedstock, or process uses and the only alternate fuel is propane or other gaseous fuel, then the Buyer will be treated as if he had no alternate fuel capability if such fuel is unobtainable for serving fuel needs.
11. **Storage Injection Requirements** – Volumes required by the Company for injection into underground storage, including cushion gas and for liquefaction, including fuel used for injection in liquefaction plants, or for such other storage projects which may be developed expressly for the protection of supply or high priority uses.
12. **Company Use Gas** - Fuel used in gas compression, propane-air plants, LNG plants, other gas needed by Company's facilities to furnish the requirements of Customers, together with unaccounted for gas, shall be considered for purposes of this curtailment plan to be in Category 1.
13. **Essential Human Needs** – Natural gas service, which, if denied, would cause shutdown of an operation resulting in closing of an establishment essential to maintaining the health and safety of the general public.



**14. Gas Supply Deficiency** – Any occurrence relating to Company's gas supply which causes Company to deliver less than the total requirements of its system, including failures of suppliers to deliver gas for any reason, requirements of gas for system storage, conservation of gas for future delivery, or any other occurrence not enumerated herein which affects Company's gas supply.

**15. Emergency Service** – Supplemental deliveries of natural gas that may be required to forestall irreparable injury to life or property including environmental emergencies.

**16. Daily Gas Price Index** – This term means the arithmetic average of:

- (i) Natural Gas Intelligence Daily Gas Price Index, *Louisiana, Southern Natural*; and
- (ii) Natural Gas Intelligence Daily Gas Price index, *Louisiana, Transco St. 65*.

If no index for a gas day is published, the price will be computed as the average of the applicable indices on the closest index publication date preceding and the closest index publication date following such gas day.

**B. Curtailment for Gas Supply Deficiency**

In the event of Gas Supply Deficiency on the Company's system, the Company shall require curtailment of service to Customer in accordance with the following procedure.

- (a) The Company shall order curtailment of sales made to Customers purchasing gas under the Company's Rate Schedules or special contracts in descending order in accordance with priority of service categories set forth below. Approved emergency gas is excepted from curtailment.
  - 1. Residential and small commercial Customers (less than 50 Dekatherms on a peak day) and essential human needs Customers where there is no installed or available alternate fuel capability.
  - 2. Large commercial direct flame requirements (20 Dekatherms or more on a peak day); firm industrial requirements for plant protection, feedstock and process needs, and storage injection requirements.
  - 3A. Firm industrial requirements for uses other than boiler fuel which do not qualify for Category 2.
  - 3B. Firm commercial and industrial boiler fuel requirement up to 1,000 Dekatherms on a peak day.
  - 3C. Interruptible requirements for human need types of facilities such as public buildings, hospitals and laundries.
  - 3D. Interruptible requirements for direct flame applications which can utilize only another gaseous fuel as an alternate.
  - 3E. Interruptible requirements for direct flame applications which can utilize a fuel other than a gaseous fuel as an alternate.
  - 3F. Interruptible requirements for boiler fuel use of less than 300 Dekatherms on a peak day.
  - 4. (LEFT BLANK INTENTIONALLY.)
  - 5. (LEFT BLANK INTENTIONALLY.)
  - 6. Interruptible boiler fuel requirements of 300 Dekatherms or more, but less than 1,500 Dekatherms on a peak day, where alternate fuel capabilities can meet such requirements.
  - 7. Interruptible boiler fuel requirements of 1,500 Dekatherms or more, but less than 3,000 Dekatherms on a peak day, where alternate fuel capabilities can meet such requirements.
  - 8. Interruptible boiler fuel requirements of 3,000 Dekatherms or more, but less than 10,000 Dekatherms on a peak day, where alternate fuel capabilities can meet such requirements.
  - 9. Interruptible boiler fuel requirements of 10,000 Dekatherms or more on a peak day, where alternate fuel capabilities can meet such requirements.
  - 10. Natural gas requirements of Customers who have alternate fuel as their primary source, but use natural gas as a standby fuel.

- (b) Curtailment will be in descending order beginning with Category 10 (i.e. Category 1 is the highest priority).

A determination of the category in which a Customer is placed will be made each year based upon usage in the preceding twelve (12) months ending August 31 and/or current contract as of the same date. The placement of a Customer in a category in accordance with the determination made herein will be effective November 1 of the current year, extending through October 31 of the following year. A moving base period will be used each year with such base period to include the preceding twelve (12) months ending August 31 of the current year. Reclassification in categories will be effective on November 1 of the current year. Where a reclassification is necessary, the affected Customer will be notified of such reclassification prior to November 1 of the current year.

- (c) Where daily volumes are not available to make the determination of the 50/Dekatherms/day required in Section (b) of the Curtailment Plan, then the daily volume requirements shall be determined by taking the Dekatherms usage of the Customers for any month during the previous twelve (12) month period ending August 31 and dividing that month's use by the number of days during that specific billing cycle and multiplying the result by 1.5. By means of the average daily volume thus obtained, the Customer will be placed in the appropriate category. Where daily volumes for the peak month in the base period are available to make the required determination, then such volumes will be used.
- (d) Any new Customer added during any base period will be placed in the appropriate category by the Company in accordance with the best information available.
- (e) Notwithstanding the terms of any service contract or agreement, general terms and conditions, tariff provisions, or rate provisions to the contrary, the Company may, during periods of curtailment, limit curtailment within any given geographic area or areas to those Customers within the area or areas where the need for the curtailment exists. Geographic areas will be defined by the Dominion Carolina Gas Transmission ("DCGT") approved tariff and determined based upon any applicable Operational Flow Order issued by DCGT. While the Company may limit the curtailment to a specific geographic area or areas or may vary the extent of the curtailment among such areas as the needs of the system require, the Company shall nevertheless preserve and enforce the applicable priorities of service categories within each geographic area. This provision (Section VII(B)(e)) applies to both firm and interruptible customers.
- (f) Notwithstanding the terms of any service contract or agreement, general terms and conditions, tariff provisions, or rate provisions to the contrary, if the Company issues a curtailment order and Customer does not comply with the order, the Company will assess, and Customer will be obligated to pay, a penalty to the Company as follows:
- (i) For violation of a curtailment order the Customer shall pay to the Company \$50.00 per dekatherm, plus the higher of: (a) the monthly contract index price for the applicable month as published in Inside F.E.R.C.'s Gas Market Report, "Prices of Spot Gas Delivered to Pipelines," "Transcontinental Gas Pipe Line Corp.- Zone 3 (pooling points)," "Index," plus the one hundred percent (100%) load factor rate under Transcontinental Gas Pipe Line Company LLC's currently effective Rate Schedule FT for deliveries from Zone 3 to Zone 5, including applicable fuel retention and surcharges, or (b) the absolute high price for the day of consumption as published in Gas Daily in the "Daily price survey," "Citygates," "Transco, zone 5 delivered," "Absolute," high end of the range. For days of consumption when Gas Daily is not published, the daily price published by Gas Daily on the nearest subsequent day shall be used.

(ii) In addition to the penalties set forth above in Section VII(B)(f)(i), the Customer shall pay to the Company an amount equal to their pro-rata share of any penalty incurred by the Company for violation of an upstream pipeline's Operational Flow Order ("OFO"), if the Customer's violation of Dominion Energy South Carolina, Inc.'s curtailment order results in incremental costs above the penalty assessed in Section VII(B)(f)(i) above.

(iii) Penalties will be assessed on each dekatherm of gas received into or taken out of the Company's system when such deliveries or receipts are not in compliance with a curtailment order.

(iv) The payment of a penalty under this provision shall under no circumstances be considered as giving Customer any right to violate any curtailment order issued. Further, the receipt of payment by the Company from any customer violating any provision of these Curtailment of Service Provisions shall not be considered as a substitute for or in lieu of any other remedy available to the Company for Customer's failure to comply with the curtailment order.

(v) This provision (Section VII(B)(f)) applies only to interruptible customers.

#### **VIII. FORCE MAJEURE**

In the event Company is unable, wholly or in part, by reason of Force Majeure to carry out its obligation to provide service under its Rate Schedules or contracts, the obligations of Company, so far as they are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused by for no longer period and such cause shall, as far as possible, be remedied with all reasonable dispatch.

The term "Force Majeure" as employed herein shall include but not be limited to acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, wars, blockade, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, extreme weather conditions, storms, floods washouts, arrest and restraints of government and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, the maintaining or repairing or alteration of machinery, equipment structures, or lines of pipe (which maintaining, repairing or alteration shall, however be carried out in such manner as to cause the smallest practicable curtailments or interruption of deliveries of gas), freezing of wells or lines of pipe, partial or entire failure or depletion of gas wells, partial or complete curtailment of deliveries under Company's gas purchase contracts, inability to obtain rights-of-way or permits or materials, equipment or supplies, and any cause other than those enumerated herein (whether of the kind enumerated or otherwise) not within the control of the person claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. It is understood and agreed that the settlement or strikes or lockouts shall be entirely within the discretion of the persons affected, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts when such course is inadvisable in the discretion of the person affected there

#### **IX. SALES OF APPROVED EMERGENCY GAS (SUPPLY RELATED)**

The Company may, in its discretion, offer any interruptible customer subject to curtailment the ability to buy Emergency Gas (Supply Related) during the curtailment on an interruptible basis when gas supplies and transportation are available. Any gas purchases made under this provision shall be priced at the actual delivered price of the specific source of supply allocated by the Company to serve the Customer, plus the approved maximum contract margin for service, plus all other costs and charges related to the specific gas supply used to serve the Customer.

Sales volumes and supply costs related to the gas supplied pursuant to this provision shall not be considered in computing the Company's weighted average cost of gas or in administering any

aspects of the Company's Purchased Gas Adjustment ("PGA"), PGA process, or orders related thereto.

**X. SALES OF APPROVED EMERGENCY GAS (CAPACITY RELATED)**

When any interruptible customer subject to curtailment requests Emergency Gas (Capacity Related) from the Company's Gas Control and such request is made before or during the period of curtailment, the Company may, in its discretion, offer the customer the ability to buy Emergency Gas (Capacity Related) during the curtailment on an interruptible basis when gas supplies and transportation are available. Any gas purchases made under this provision shall be priced at \$50.00 per dekatherm, plus the higher of: (a) the monthly contract index price for the applicable month as published in Inside F.E.R.C.'s Gas Market Report, "Prices of Spot Gas Delivered to Pipelines," "Transcontinental Gas Pipe Line Corp.- Zone 3 (pooling points)," "Index," plus the one hundred percent (100%) load factor rate under Transcontinental Gas Pipe Line Company LLC's currently effective Rate Schedule FT for deliveries from Zone 3 to Zone 5, including applicable fuel retention and surcharges, or (b) the absolute high price for the day of consumption as published in Gas Daily in the "Daily price survey," "Citygates," "Transco, zone 5 delivered," "Absolute," high end of the range. For days of consumption when Gas Daily is not published, the daily price published by Gas Daily on the nearest subsequent day shall be used. Sales volumes and supply costs related to the gas supplied pursuant to this provision shall not be considered in computing the Company's weighted average cost of gas or in administering any aspects of the Company's Purchased Gas Adjustment ("PGA"), PGA process, or orders related thereto.